

AIRDNA

Data and Revenue Management Conference (DARM)

8/17/2021

# Monthly Travel Trends

July Numbers looking Strong in Peak Season



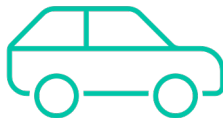
Plane Trips

**+203%**

y-o-y

**-20%**

vs. 2019



Car Trips

**+27%**

y-o-y

**+4%**

vs. 2019



STR Demand

**+24%**

y-o-y

**+4%**

vs. 2019



Hotel RevPAR\*

**+78%**

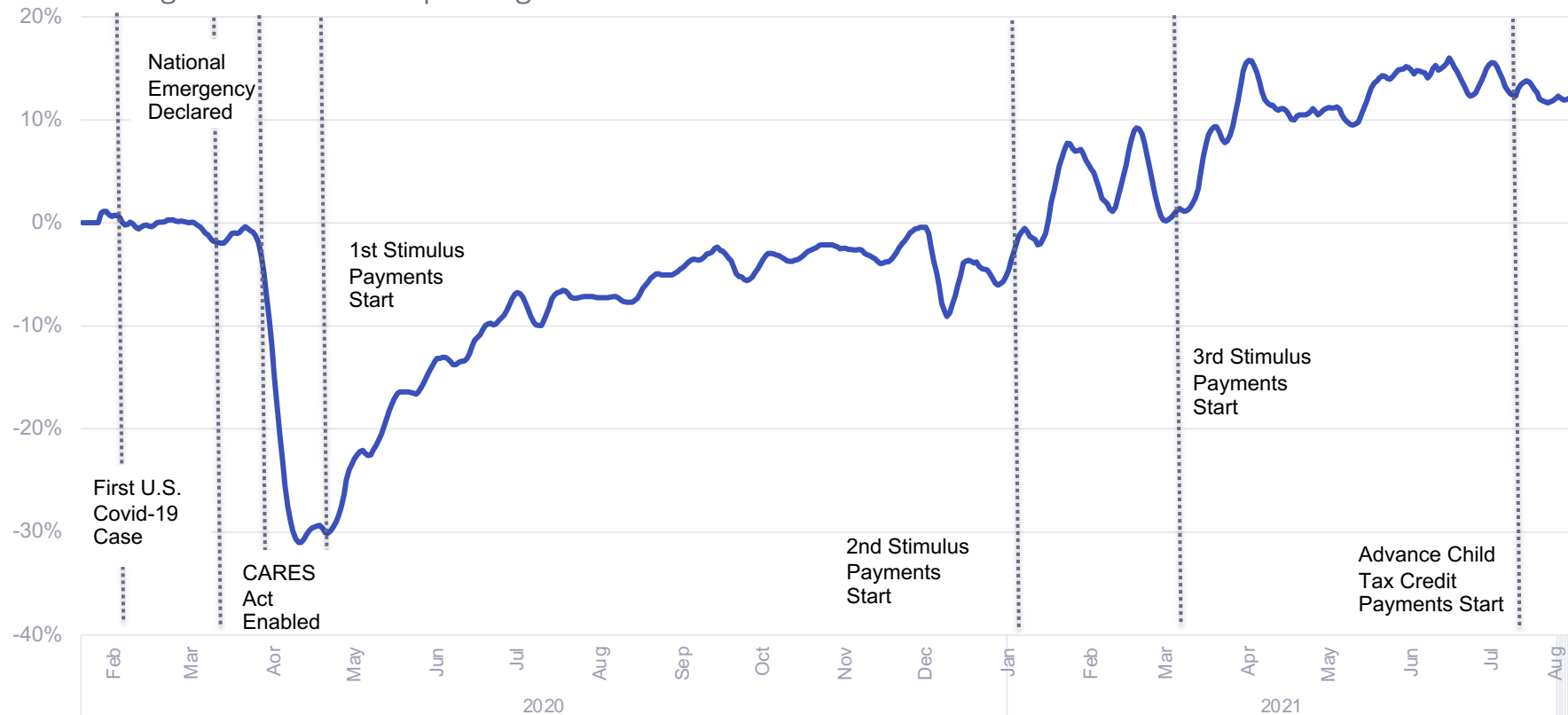
y-o-y

**-13%**

vs. 2019

# U.S. Consumer Spending Has been Resilient

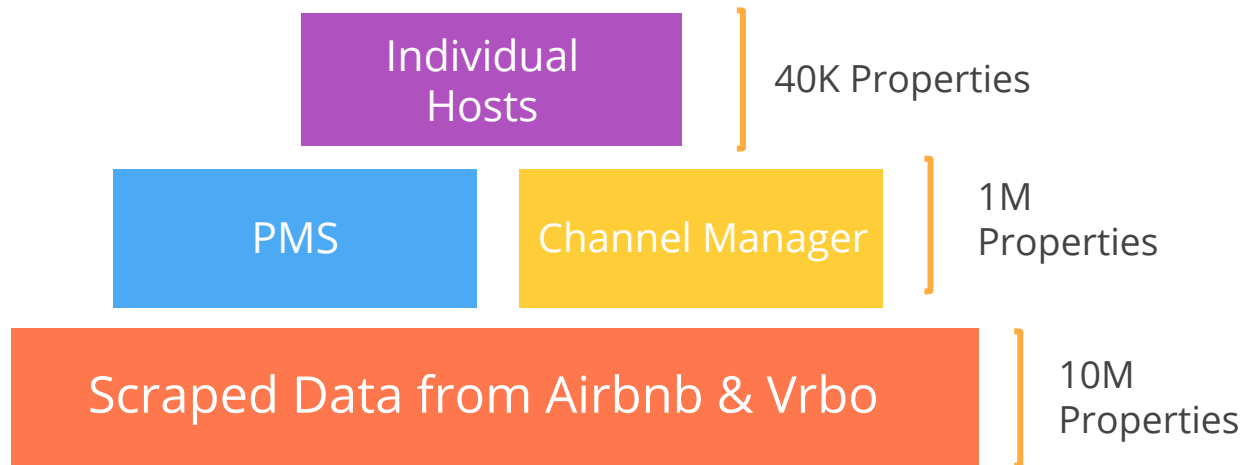
Percent change in all consumer spending vs 2019



Source: Opportunity Insights, Affinity, AirDNA

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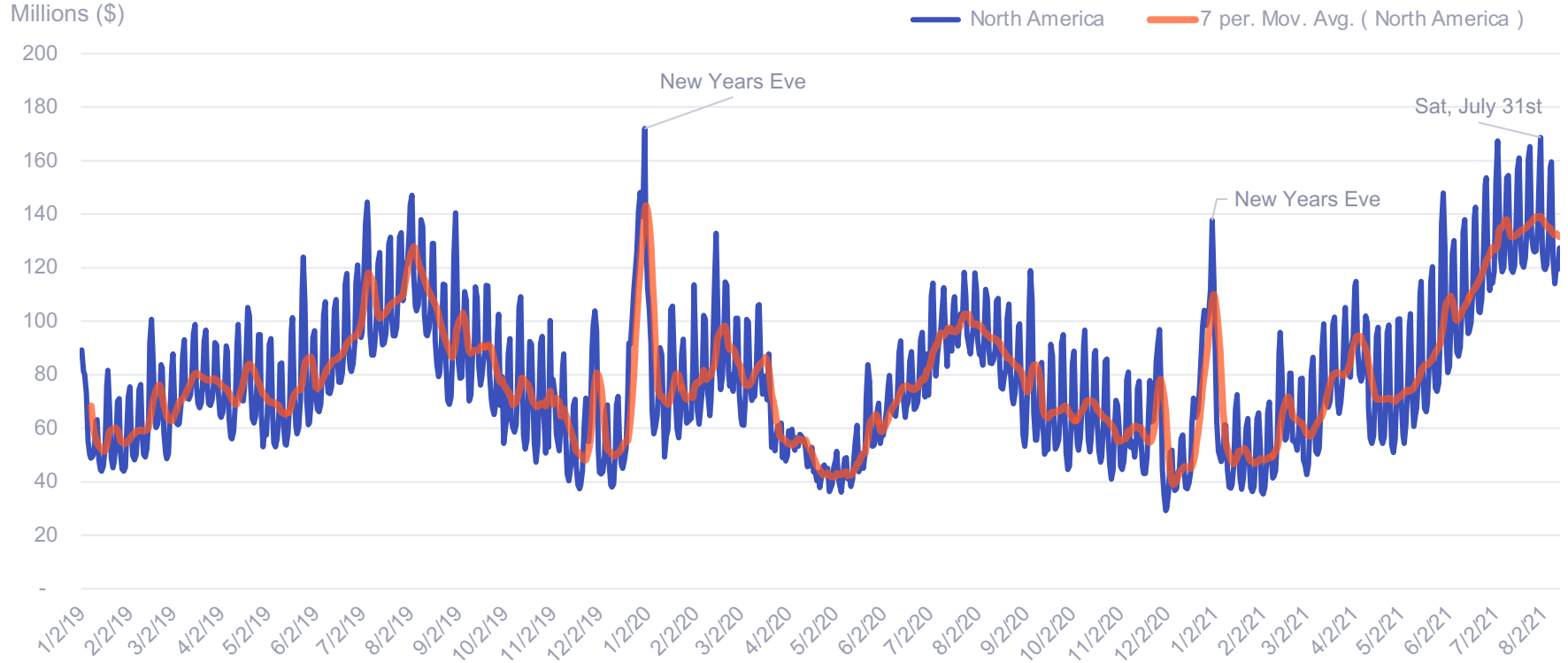
# Our Data Sources



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# Revenue and Demand Have Recovered

Daily Revenue for Properties Listed on Airbnb

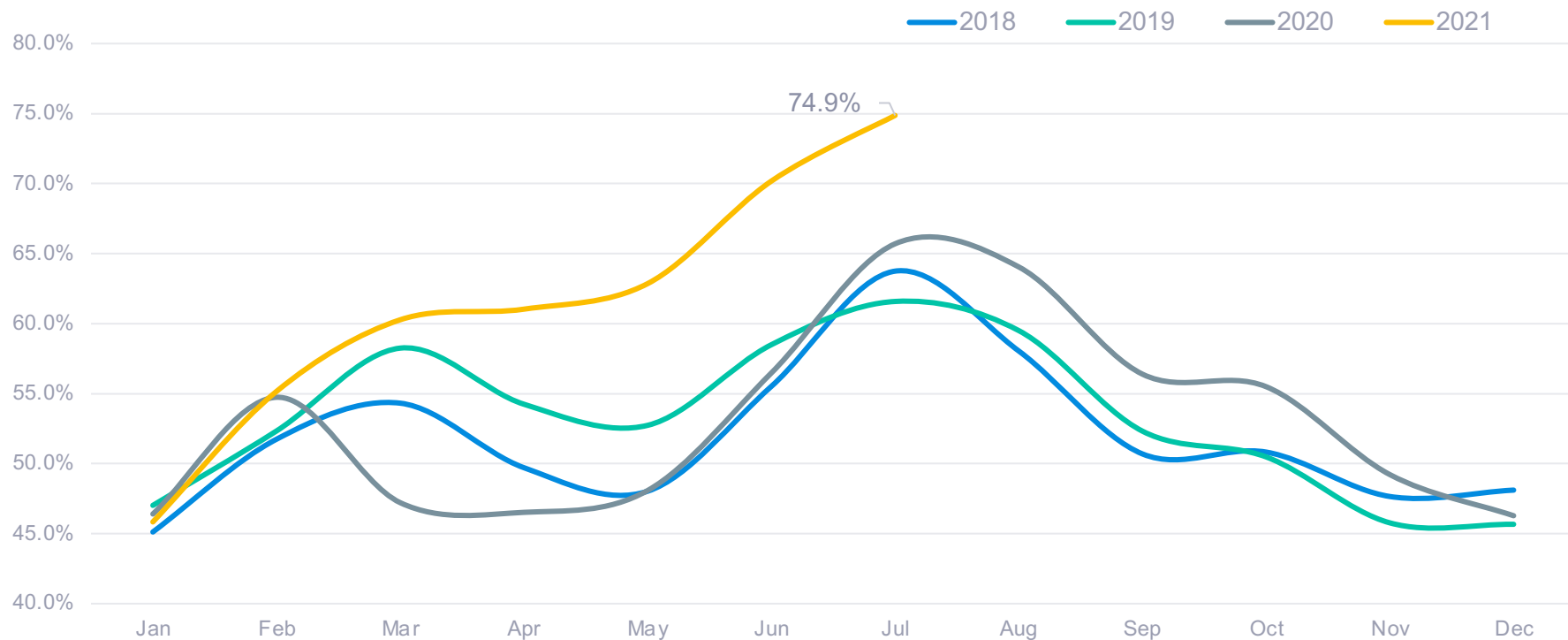


Source: AirDNA

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# Record High Occupancy for U.S. Short-term Rentals

U.S. Monthly Short-term Rental Occupancy

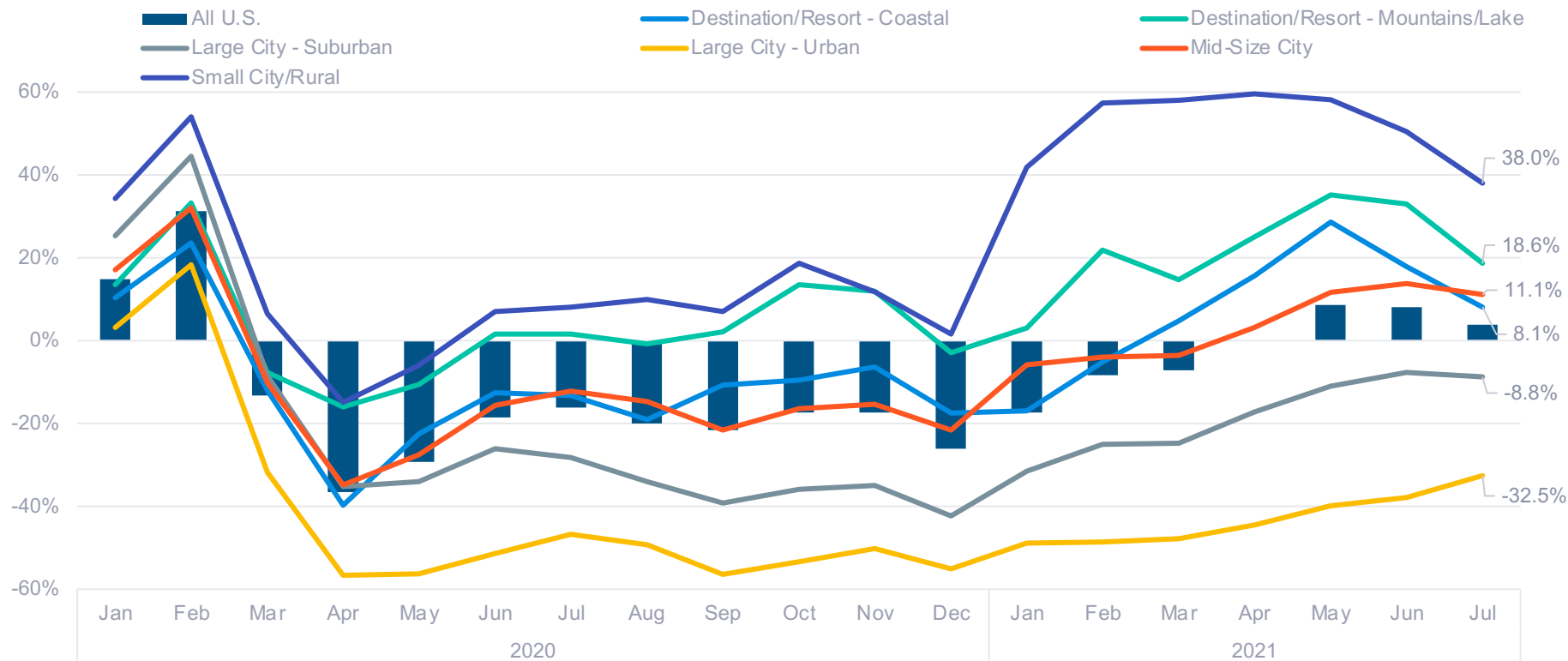


Source: AirDNA

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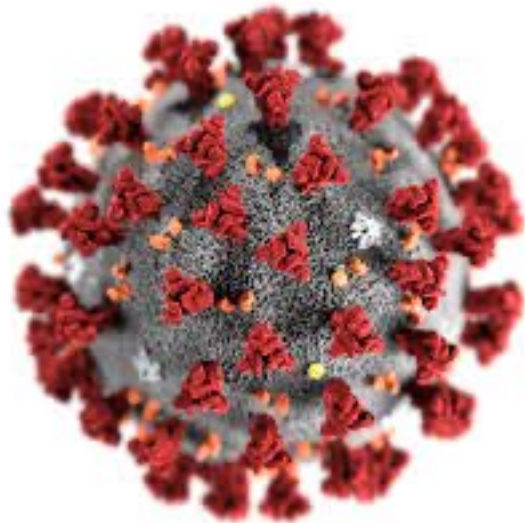
# Divergent Demand Trends among U.S. Location Types

2020/2021 U.S. Short-term Rental Demand vs. 2019 by Location Type

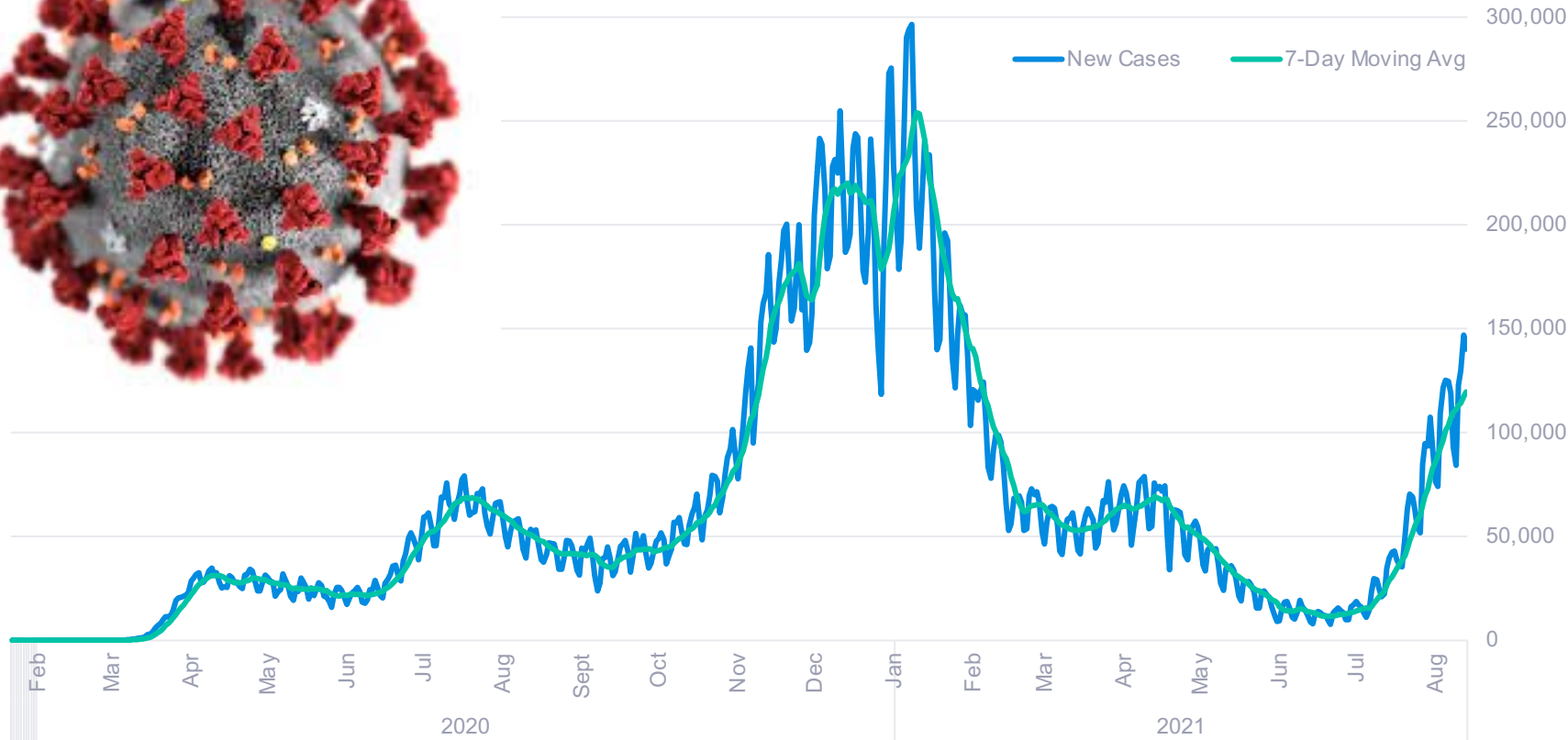


Source: AirDNA

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# Covid-19 Impact: Delta Rising



Source: CDC



# Delta Impact - Slowdown in New Bookings

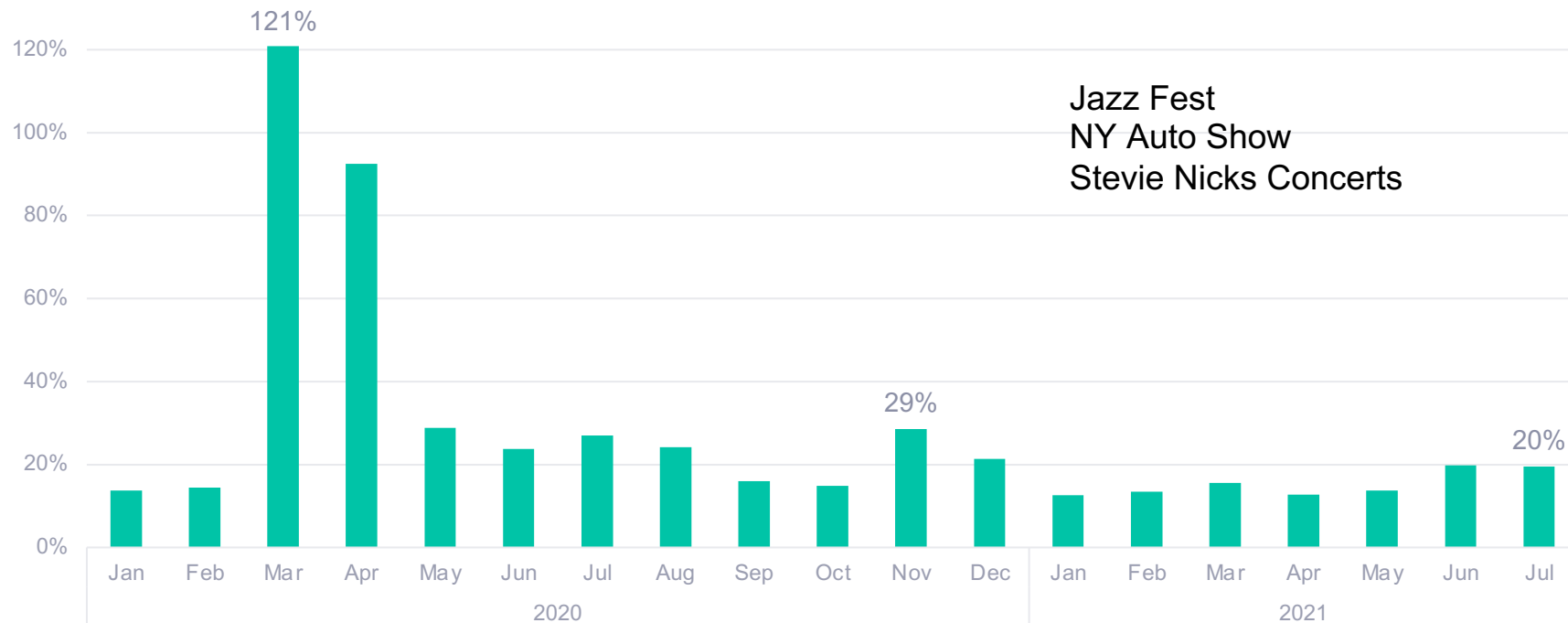
Change in U.S. Demand (Nights) Booked vs 2019



Source: AirDNA

# Delta Impact – Increase in Cancelations

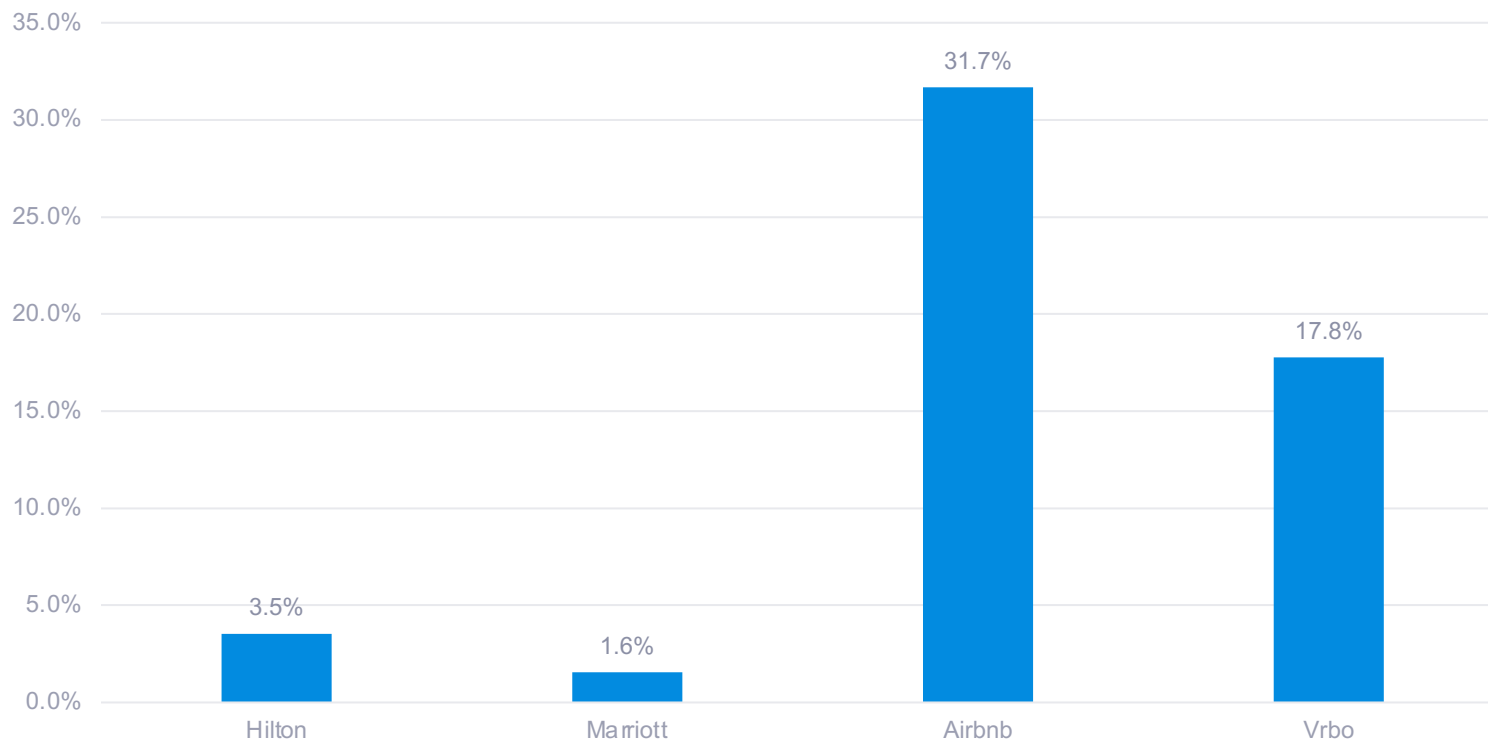
U.S. Canceled Nights as a Percent of Nights Booked



Source: AirDNA

# The Changing face of Lodging – Before Covid-19

Q4 2019 Y-o-Y Change in Revenue from Company Earnings Releases

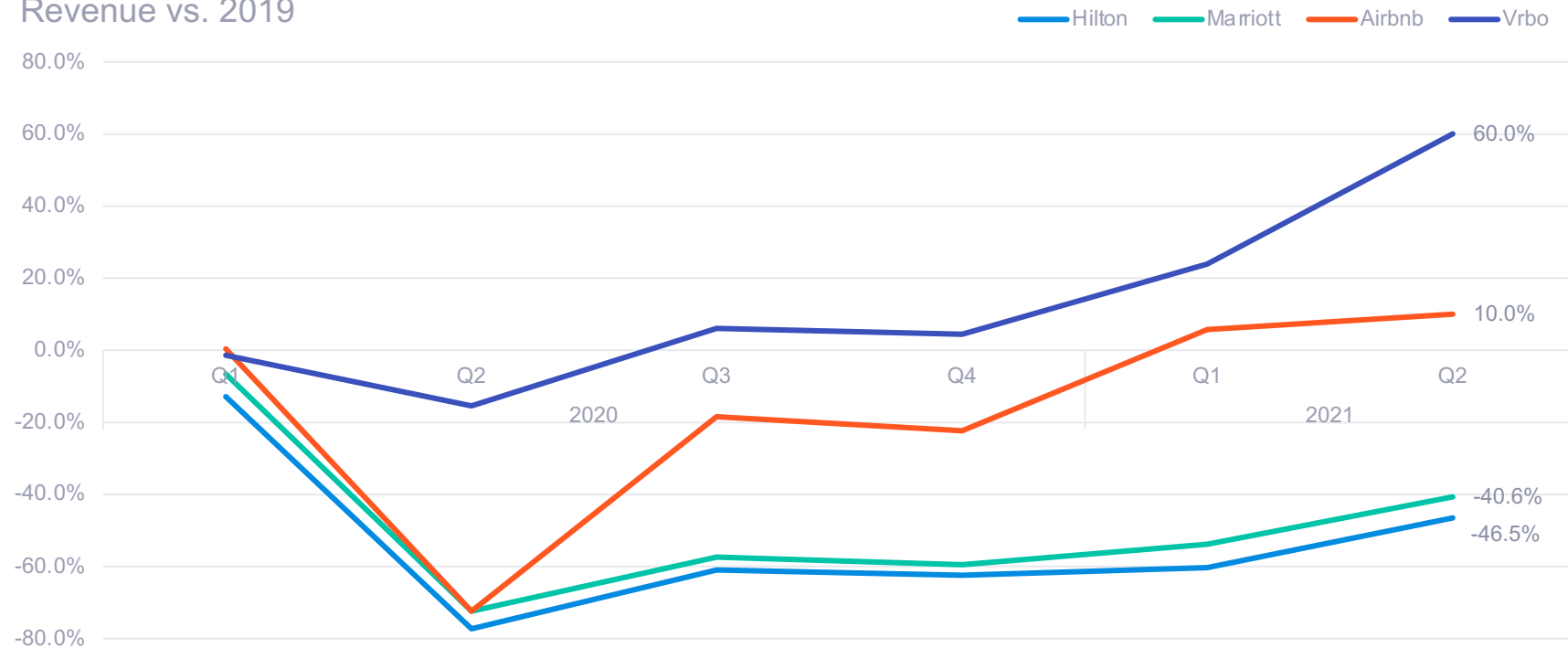


Source: AirDNA, Airbnb, VRBO, Hilton, Marriott

# Short-term Rental Revenue Recovery

Global Quarterly Revenues for Largest Short-term Rental & Hotel Companies Relative to 2019

Revenue vs. 2019



Source: AirDNA, Airbnb, VRBO, Hilton, Marriott

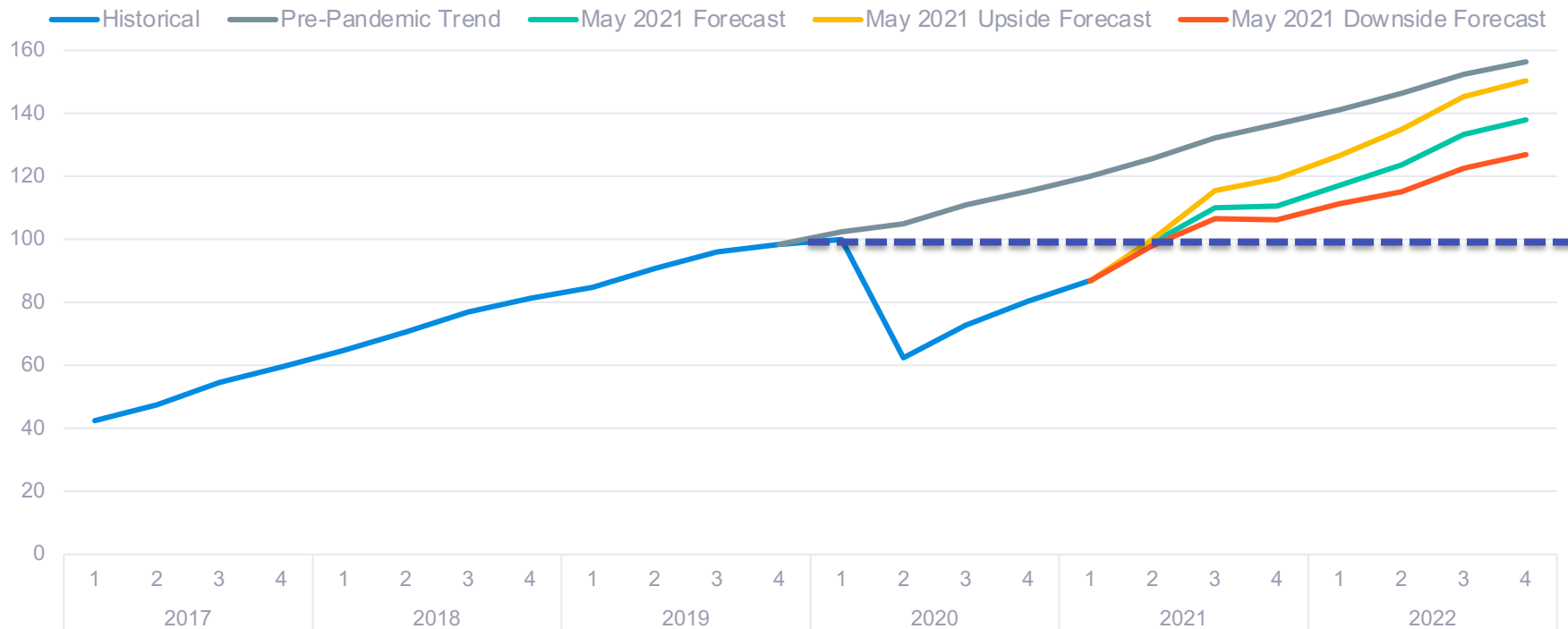
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# What does the Future Hold?

- Forecast Scenarios
- Is Demand Growth Sustainable?
- Is Supply Keeping Up With Demand?
- ADR Trends
- Length of Stay & Lead Times

# What Recovery? - Tracking Industry Expansion

## U.S. Quarterly Short-Term Rental Demand Forecast



Source: AirDNA

Note: Seasonally adjusted and indexed to Q1 2020.

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# AirDNA's U.S. Short-term Rental Outlook Scenario Assumptions

## Baseline

## Upside

## Downside

### Listings

Strong new unit growth in high demand areas, but not nearly as fast as demand. Available listings recover to 2019 levels by 2023 in urban areas.

The high demand for short-term rentals brings in hundreds of thousands of new hosts, allowing more people the opportunity to stay in STRs. Supply accelerates.

High demand for single-family homes outside of major cities pushes home prices higher and reduces investment in short-term rentals. Supply growth stalls.

### Length of Stay

A hybrid work model allows many workers more flexibility to work from home more often. Extended trips become the norm as more and more travelers combine business and leisure trips.

Flexible travel is here to stay. A significant portion of the population continues to work remotely, giving them flexibility to work from anywhere and live in STRs. Mid-term stays (1-6 months) remain as incremental demand.

The flexibility of remote work and school ends, bringing workers home. Length of stay shrink, and mid-term stay demand returns to pre-pandemic levels.

### Demand

STRs retain most of the gains made vs. hotels for leisure travel and maintain gains in destination markets. Demand begins to recover in major cities in late 2021 with most markets recovering to pre-pandemic demand levels by the summer of 2022.

Added flexibility extends peak travel periods. Short-term rentals take more share from hotels as a preferred lodging choice. Vaccination rates accelerate globally, leading to more inbound travel and a rapid recovery of urban demand.

As global travel opens back up, Americans begin to travel overseas before inbound travel recovers for the U.S. This leads to less demand for destinations and a slower recovery in U.S. cities.

### Rental Rates

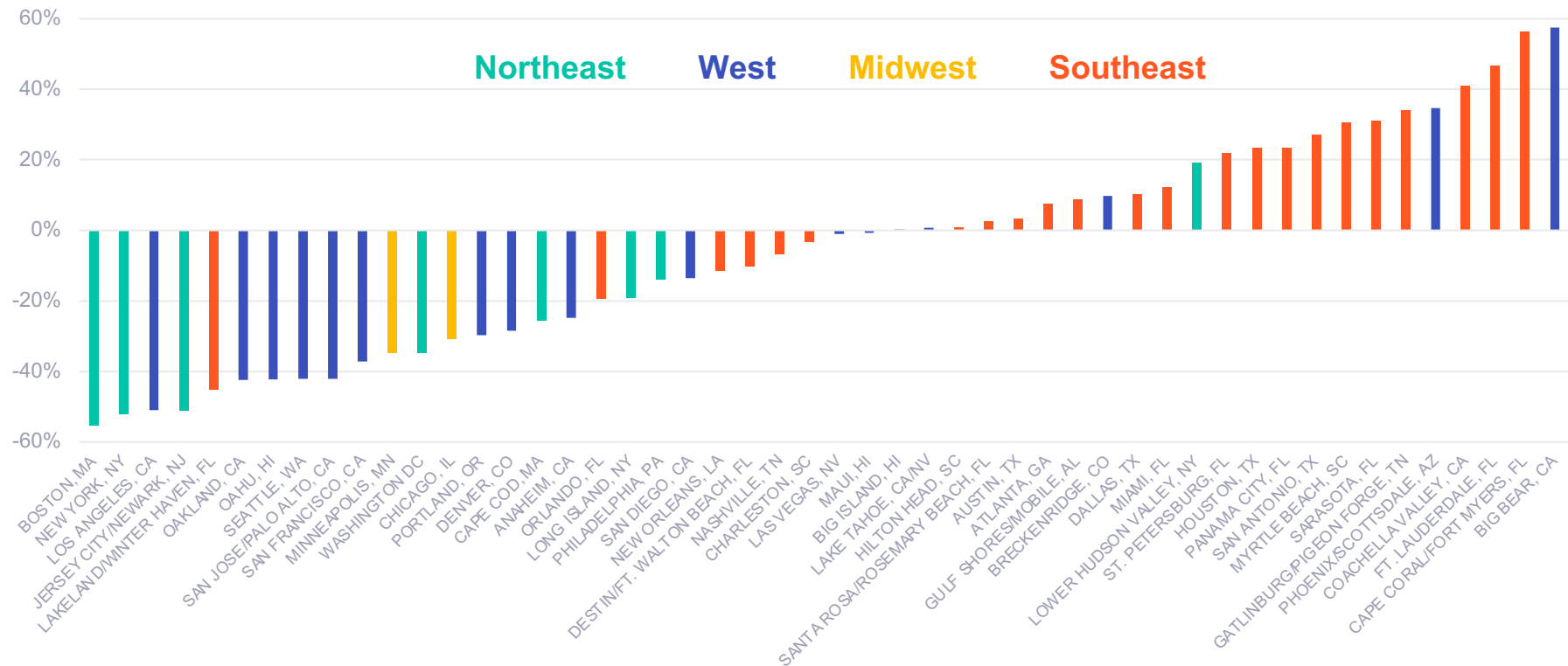
Limited new supply and strong demand allow most STR operators to continue gradually raising rates, increasing the revenue earned per unit.

Even with new supply added, the scarcity of available units allows operators to raise rates and indefinitely keep them at elevated levels.

Demand growth doesn't meet expectations. Increased competition among hosts and hotels leads to discounting and overall lower revenue per unit.

# Southeastern Markets - Best Performing Region

Change in U.S. Short-term Rental Demand July 2021 vs. July 2019



Source: AirDNA



# Peak Season – Best Performing Coastal Destinations

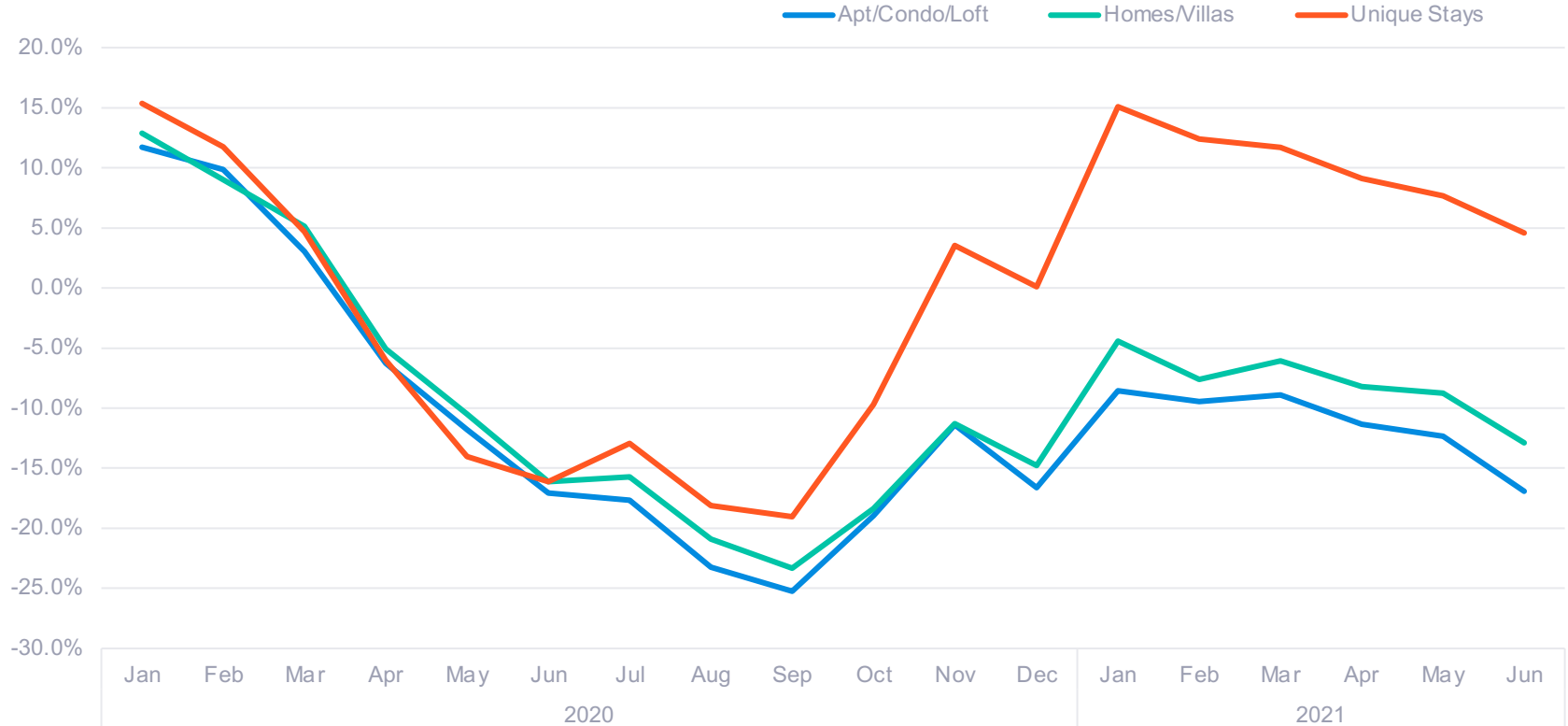
## Highest/Lowest July 2021 Occupancy – Coastal Destination/Resort Markets

Highest		Lowest	
Market	Occupancy	Market	Occupancy
MAINE DOWN EAST/ACADIA COASTAL	88.4%	MIAMI, FL	69.0%
ATLANTIC CITY/OCEAN CITY, NJ	87.8%	NAPLES, FL	69.5%
PAWLEYS ISLAND/GEORGETOWN, SC	87.1%	WEST PALM BEACH, FL	70.1%
RIO GRAND/FAJARDO, PR	87.0%	PORT ST. LUCIE, FL	73.0%
WILMINGTON, NC	86.9%	SOUTH PADRE ISLAND, TX	73.2%
MOREHEAD CITY/EMERALD ISLE, NC	86.8%	CORPUS CHRISTI, TX	73.2%
SANTA CRUZ, CA	86.2%	CAPE CORAL/FORT MYERS, FL	73.5%
SAN JUAN, PR	86.0%	LONG ISLAND, NY	73.8%
JERSEY SHORE, NJ	85.8%	PUNTA GORDA, FL	74.8%
KENAI PENINSULA, AK	85.5%	CHARLESTON, SC	76.4%

Source: AirDNA

# Offering Guests Unique “In Demand” Properties

Global Percent Change from 2019 Levels of Available Listings by Property Type

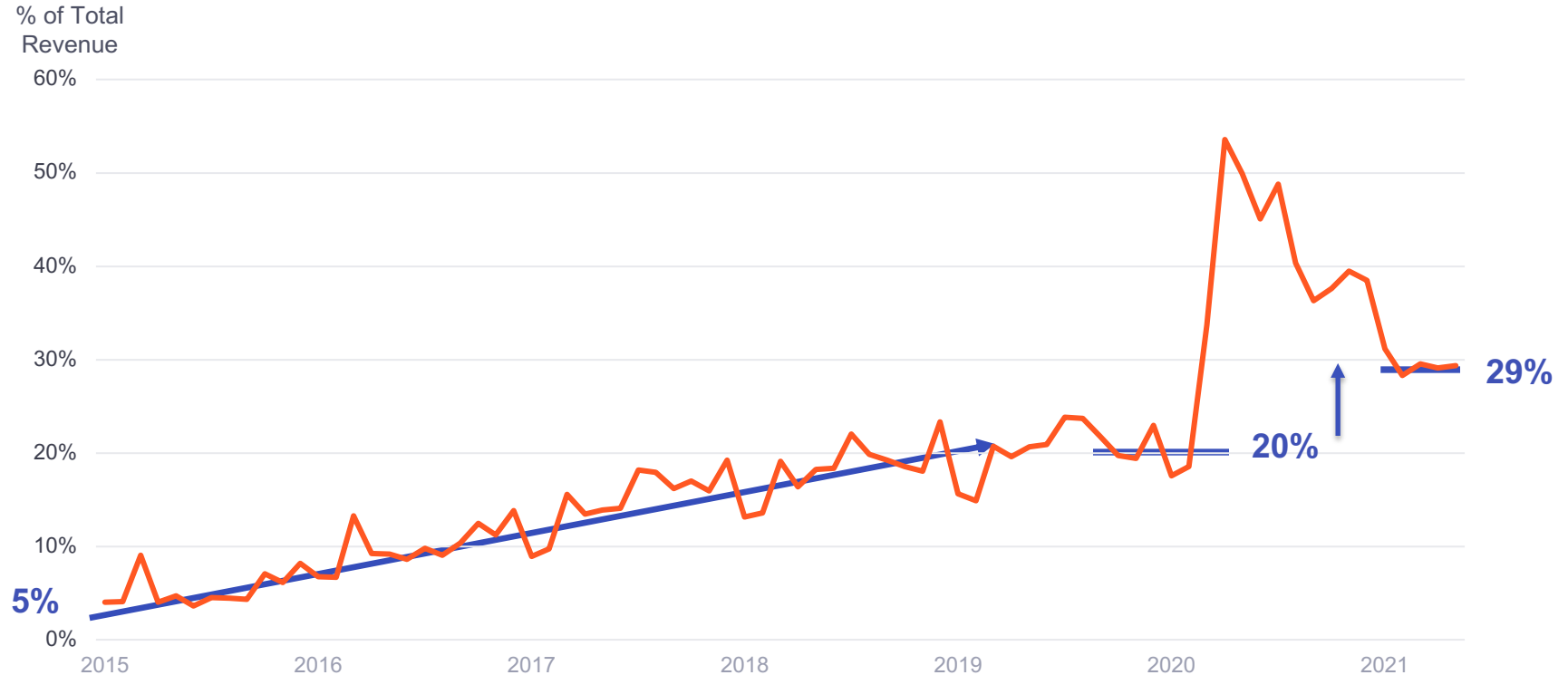


Source: AirDNA

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# Has Pandemic Caused a Permanent Shift in Market Revenue Mix?

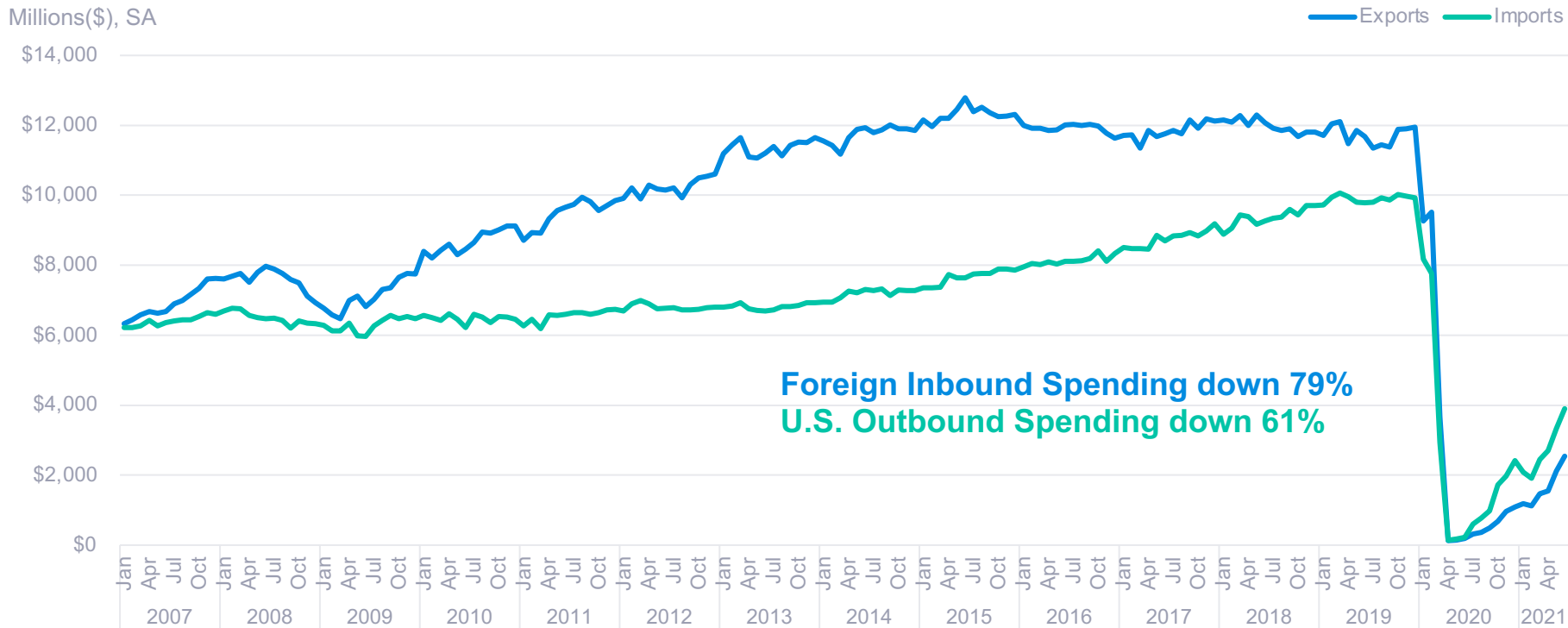
Austin, TX Short-Term Rental Monthly Revenue as a Percent of Total Accommodation Revenue (Hotels & Short-term Rentals)



Source: AirDNA, Kalibri Labs, Q3 2021

# U.S. is Historically a Net Exporter of Travel Spending

Foreign Citizens Spend More Inside of the U.S. than U.S. Citizens Spend outside of the U.S.



Source: Bureau of Economic Analysis and the National Travel and Tourism Office (NTTO)

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# A Return of International Travel will be Key

## New York - % of Airbnb Reviews From International Travelers



Source: AirDNA

Note: Based on Reviews left on Airbnb

# Flexible Supply Helps STRs Capture Shifting Demand

Change U.S. Available Listings & Demand from June 2021 vs. June 2019 by Location Type

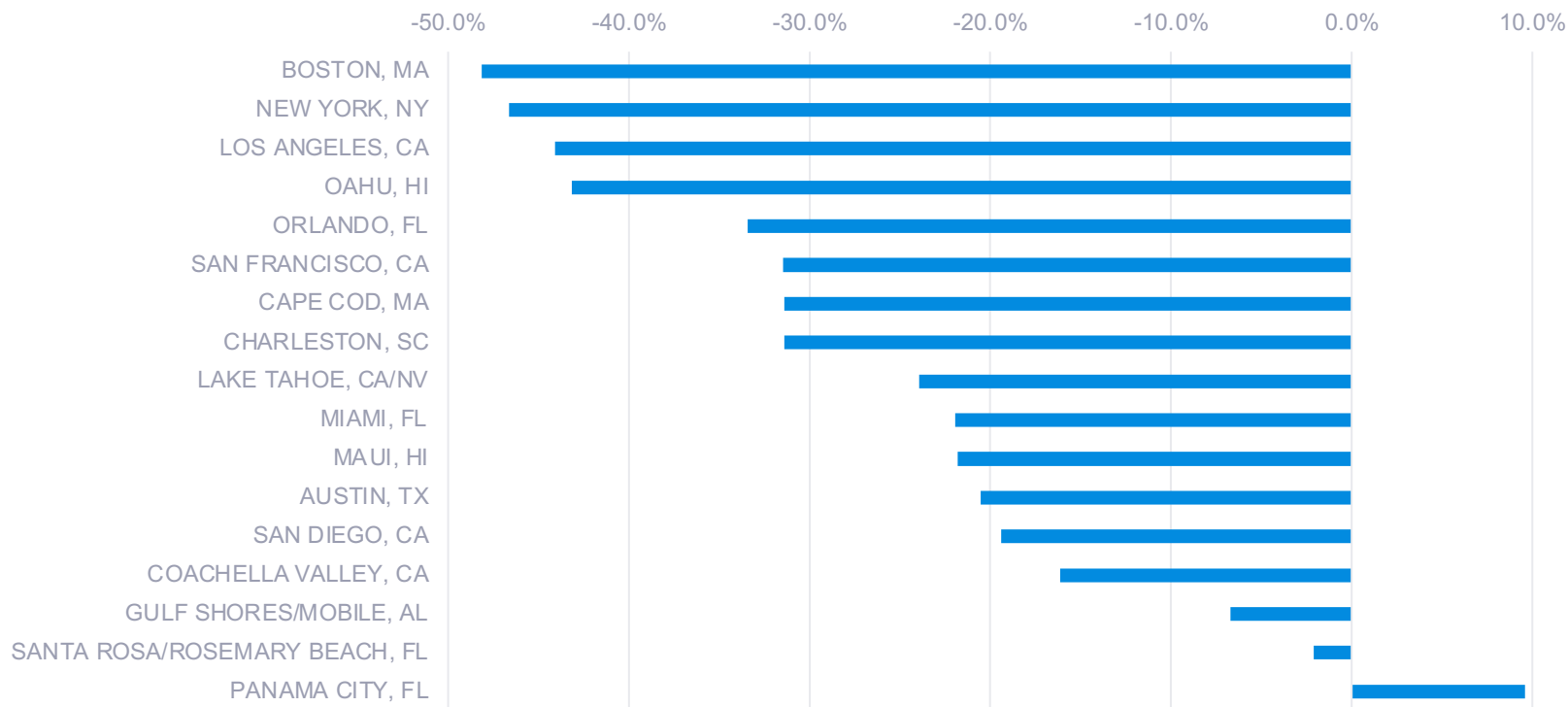


Source: AirDNA

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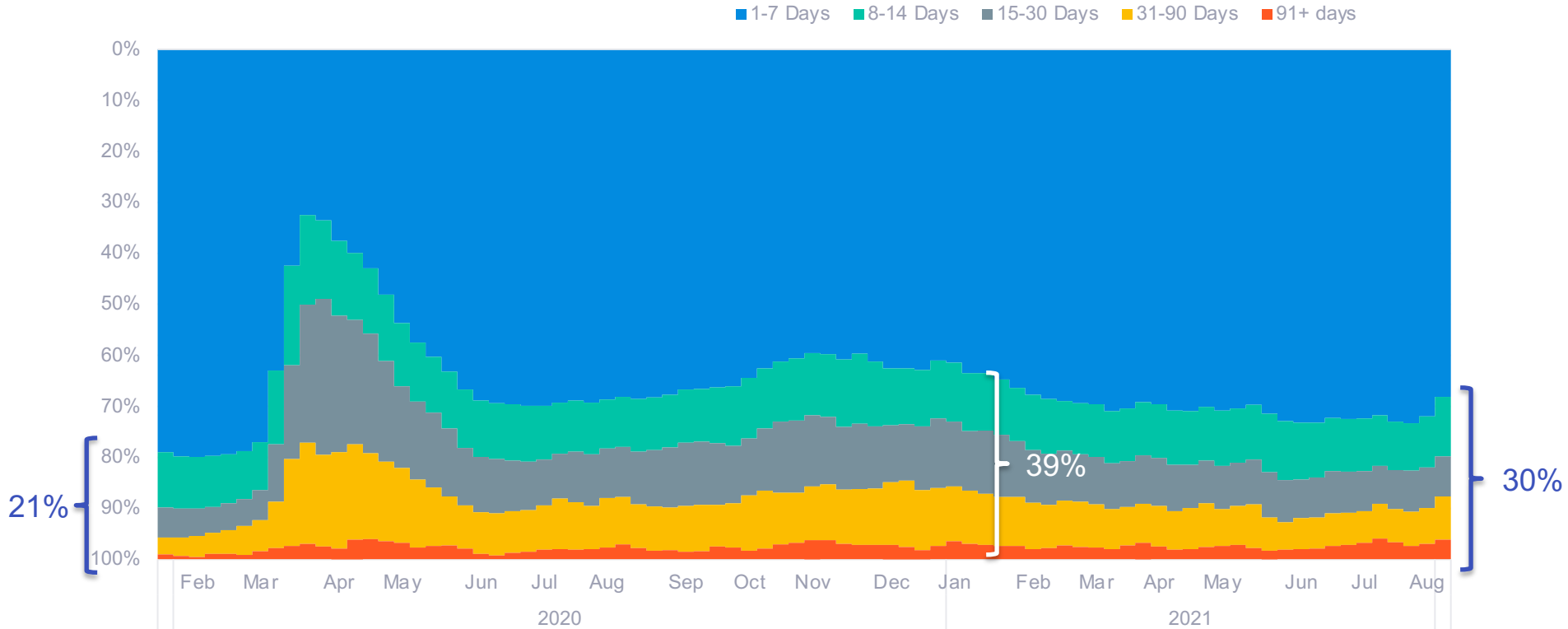
# How much Competitive Supply has been Lost?

Change Available Listings on Airbnb & VRBO in the Largest U.S. Short-term Rental Markets (June 2019 to June 2021)



# Length of Stays Expanded Through out 2020

U.S. % of Total Trips Booked by Length of Stay



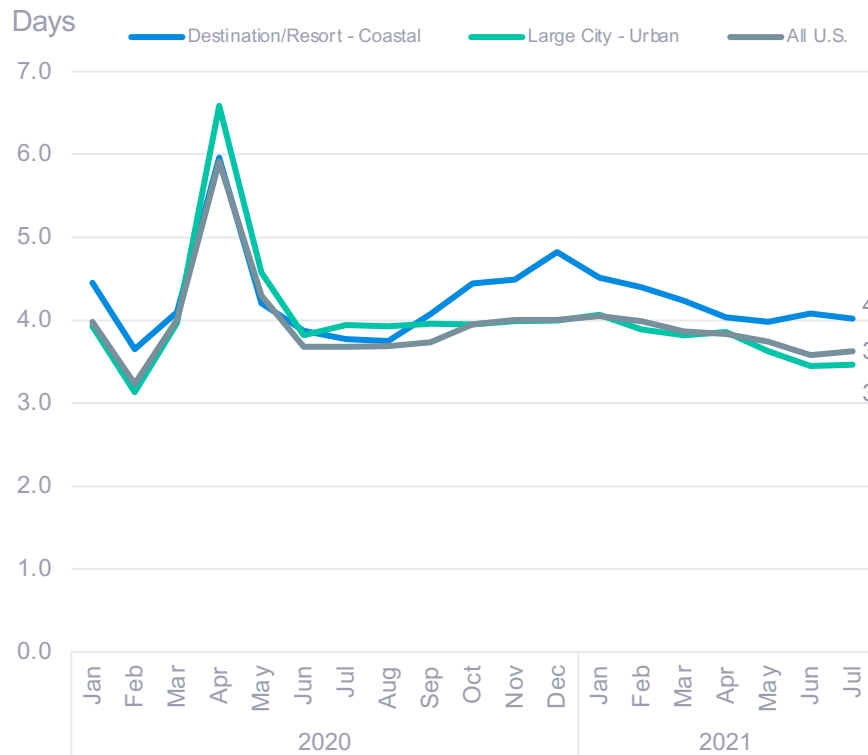
Source: AirDNA

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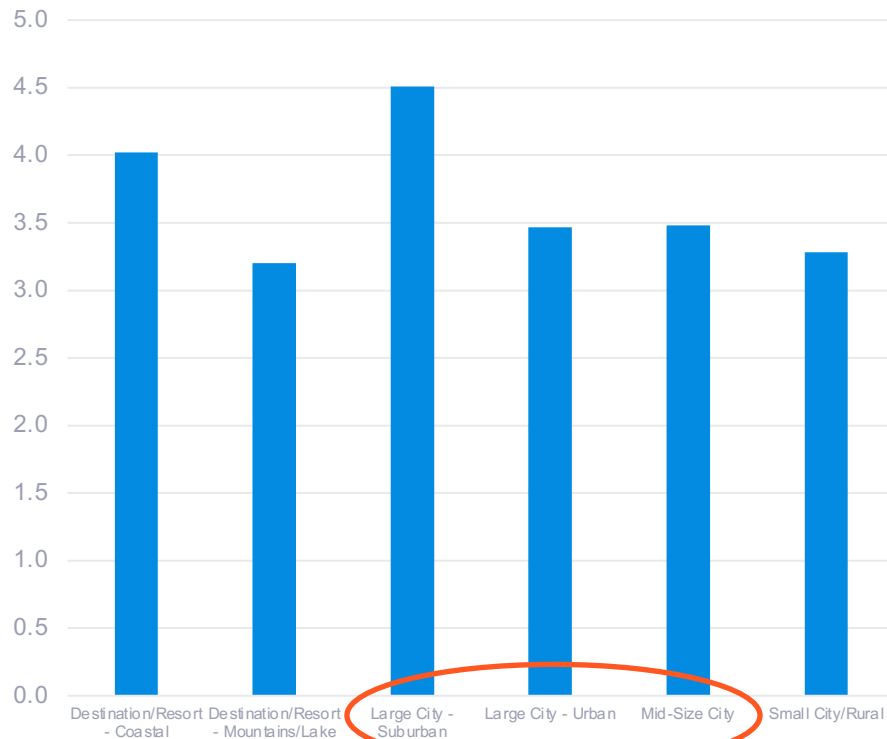


# Length of Stays Shortening throughout 2021

U.S. Length of Stay



U.S. Length of Stay – July 2021

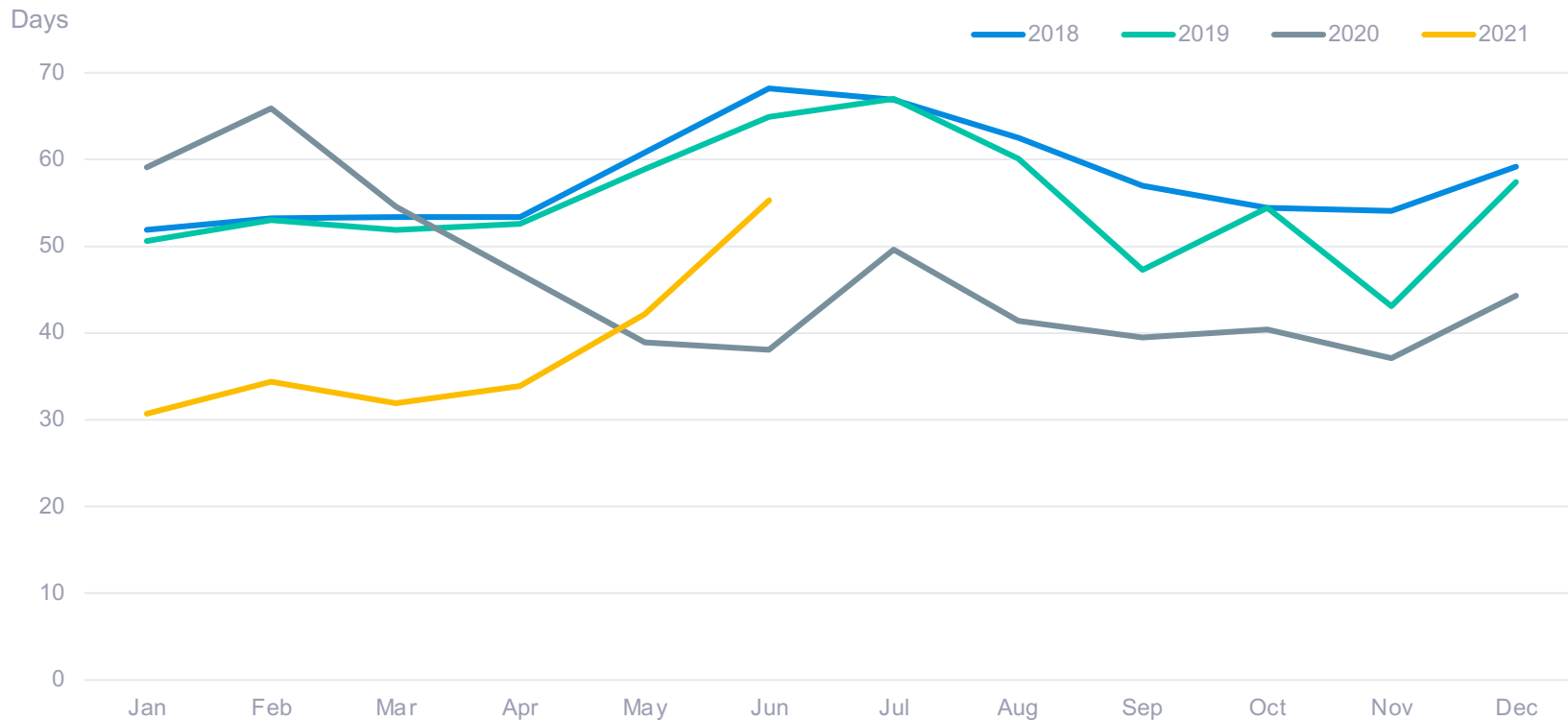


Source: AirDNA

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# Lead Times are Rapidly Recovering as Occupancy hits Records

## U.S. Booking Lead Times



Source: AirDNA

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ADRs Up!

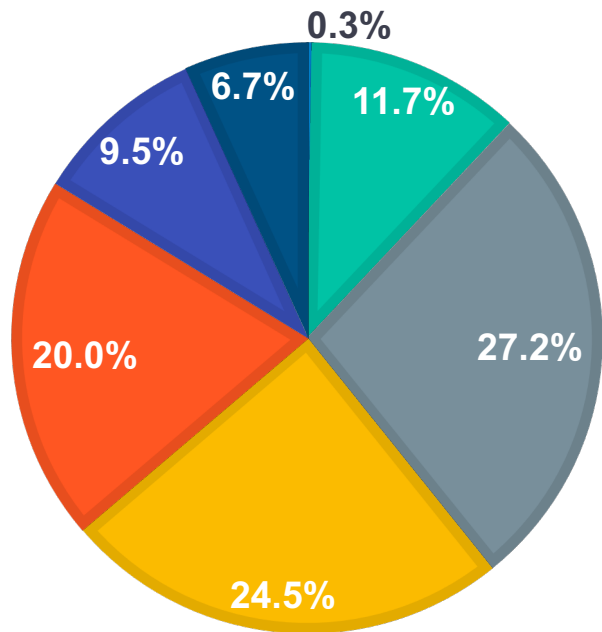
21.5%

July 2021 vs July 2019

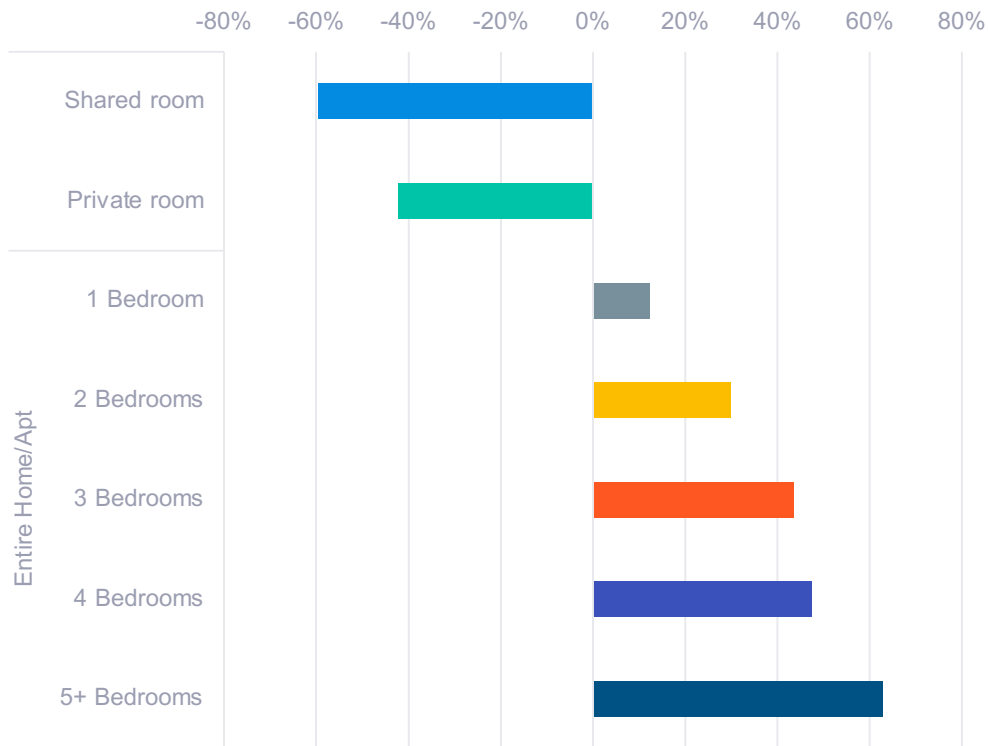
# Guests are Choosing Larger Units

U.S. June 2021 Listing Nights Sold, as % of Total

■ Shared room ■ Private room ■ 1 Bedroom ■ 2 Bedrooms  
■ 3 Bedrooms ■ 4 Bedrooms ■ 5+ Bedrooms



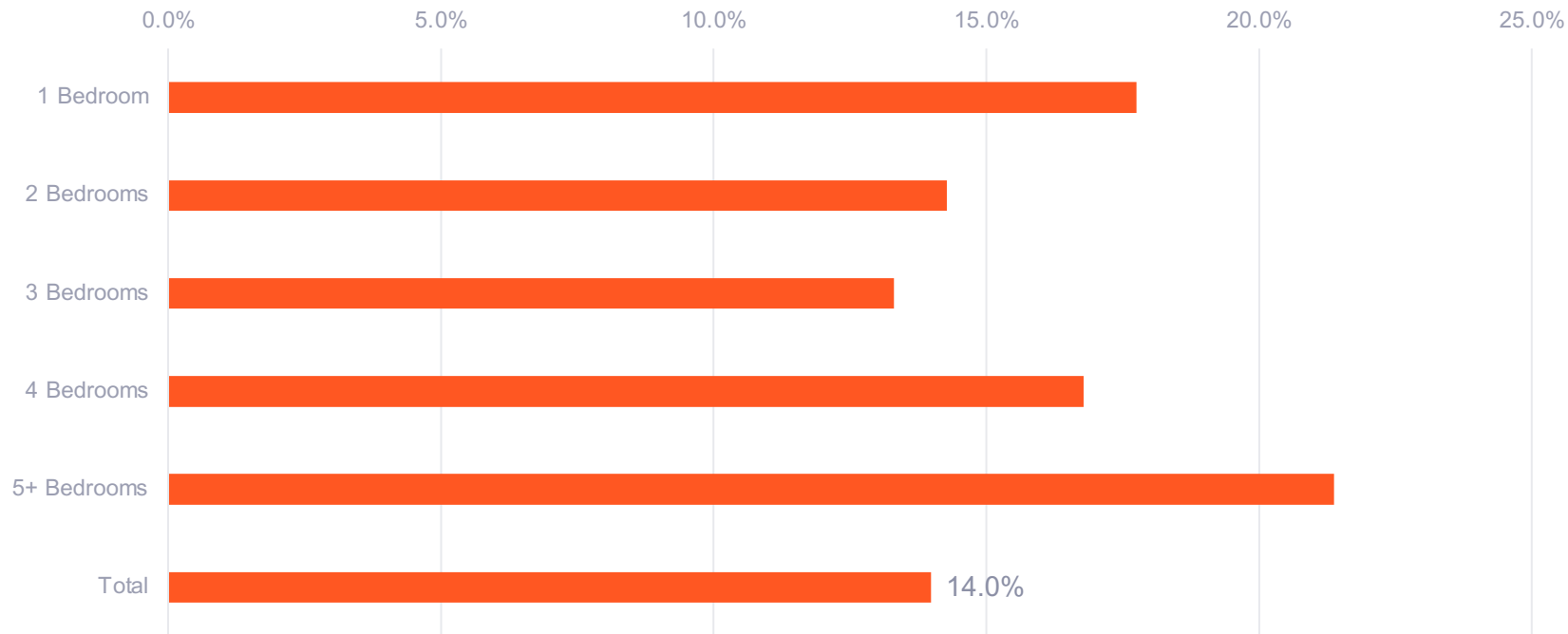
U.S. Change in STR Demand - June 2021 vs June 2019



Source: AirDNA

# Rates Are Up in Almost Every Category

U.S. Entire Home Change in ADR from July 2019 to July 2021

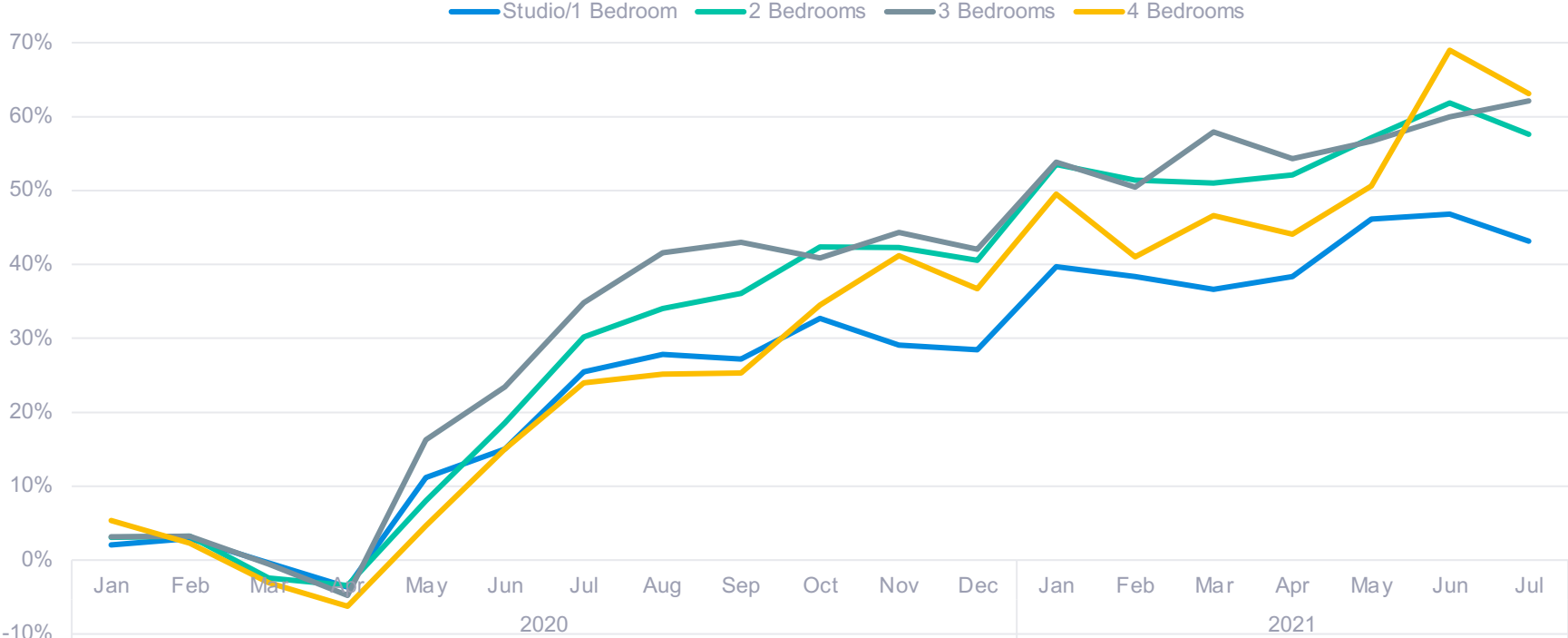


Source: AirDNA

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# ADRs have Continued to Increase throughout the past 16 Months

## Joshua Tree Average Change in ADR vs 2019



Source: AirDNA

# Outlook Bright for U.S. Short-term Rentals

## U.S. Short-term Rental Forecast (2019 – 2022)

Metric	2019	2020	2021 F	2022 F
Available Listings	1,175,437	1,039,948	1,138,111	1,370,903
Listings, % Change	11.0%	-11.5%	9.4%	20.5%
Demand, % Change	20.9%	-16.1%	27.5%	23.4%
Occupancy	53.5%	53.2%	58.9%	57.9%
Average Daily Rate	\$ 214.30	\$ 233.84	\$ 248.06	\$ 230.33
ADR, % Change	1.3%	9.1%	6.1%	-7.1%
RevPAR	\$ 114.59	\$ 124.50	\$ 146.22	\$ 133.40
RevPAR, % Change	3.8%	8.6%	17.4%	-8.8%

Source: AirDNA

# Thank you!

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<https://www.airdna.co/resources/blog>

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